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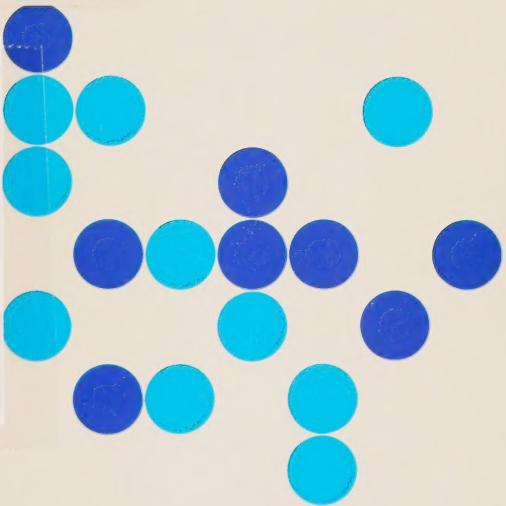
# National Strategy on Child Care

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Providing the best care for our children is an objective we all share. Together we can achieve this by combining ideas and resources to serve the interests of Canadian families.

The National Strategy on Child Care was developed so that more families could benefit from affordable and quality child care. The National Strategy will assist parents who work in the paid labour force, and those who stay at home to care for their children.

There are three components to the National Strategy on Child Care: Tax benefits to families with young children, a new cost-sharing program with the provinces, and a Child Care Special Initiatives Fund. Together, these measures will ensure a child care system that meets the needs of a changing society.

A handwritten signature in blue ink, appearing to read 'Jake Epp', with a horizontal line above it.

Jake Epp  
Minister of National  
Health and Welfare

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sur la garde des enfants».

## **What does the National Strategy on Child Care do for families?**

The National Strategy on Child Care recognizes the evolving child care needs of Canadian families. It will provide new resources and more flexibility for an enlarged child care system. Parents will be able to select the care that is most appropriate for their children.

Child care services will be supported to better reflect the real needs of parents – whether that be informal care offered by friends or family members for children cared for at home, or care offered by a child care facility.

Many new child care spaces will be available under the National Strategy on Child Care. With improved tax benefits and subsidies for spaces, child care will also be more affordable. Parents will be able to choose from a greater variety of child care services.

Quality child care will also be promoted by research projects and new approaches which will be supported by the National Strategy. The special needs of families and children will be addressed to encourage a better child care system across Canada.

## **What are the improved tax benefits?**

- The current Child Care Expense Deduction will be doubled from \$2,000 to \$4,000 for each child six years and under, and for children with special care needs. As a result, parents who have receipts for child care expenses will be able to deduct more of their real costs when calculating their income tax.
- The \$8,000 ceiling on allowable child care expenses for each family will be removed. Larger families will now be able to deduct a greater amount of their child care costs as long as they remain within the limit of \$4,000 for each child six years and under, and \$2,000 for each child aged seven to 14.
- A supplement to the Child Tax Credit will be available for many low- and middle-income parents who either stay home to care for their children or who do not have receipts for their child care costs. This supplement applies to each child six years and under.
- The supplement will be \$100 in the 1988 tax year, and \$200 in the 1989 tax year, and in subsequent years. Lower income families will receive the \$100 supplement in November 1988.
- Families will be able to choose the tax measure that best meets their needs. The improved tax benefits will be available in 1988, and explained in more detail in the Income Tax Guide for the 1988 tax year.

## **What is the new cost-sharing program?**

In designing the National Strategy on Child Care, the federal government recognized that the provinces are responsible for the delivery and operation of child care services in Canada.

In partnership with the provinces, the program will:

- increase the number of quality child care spaces by 200 000 across Canada;
- allow funding for non-profit as well as commercial services;
- provide increased assistance over the next seven years for the development of non-profit spaces;
- focus on the development and implementation of standards which could include child:staff ratios, staff qualifications, health and safety.

The federal government is now discussing with provinces the development and maintenance of child care systems across Canada. When negotiations are complete, new legislation will ensure that child care remains a social and economic priority for all Canadians.



## **What is the Special Initiatives Fund?**

Beginning in April 1988 and over the next seven years, the federal government will spend \$100 million to support projects and new approaches that promote the quality of child care and meet the unique needs of many families. Particular attention will be given to encouraging the development of non-profit, community-based child care services.

The Special Initiatives Fund will address the child care needs of Indian and Inuit children, and children from other cultural backgrounds. The Fund will also support demonstration and research projects that examine the needs of children whose parents do shift work or have other work-related requirements, the needs of families in rural settings, and those of children who have special conditions and disabilities.



## Who can benefit?

The National Strategy on Child Care was designed to meet the real needs of Canadians. It recognizes that many parents work in the paid labour force, while others stay at home to raise their children.

The following example illustrates how families who use child care services, with receipted expenses, can benefit from the new tax measures.

■ For two-parent families where both spouses work in the paid labour force, earn an income of \$40,000 and have a child six years and under with receipts for child care expenses of \$4,000, the benefits include:

- an additional tax savings of \$525 through the enhanced Child Care Expense Deduction.

The needs of low-income parents and their choice of preferred child care are also considered. The following example illustrates the benefits to low-income single parents.

■ For a single parent who earns an income of \$15,000, with a child six years and under, the benefits include:

- a refundable Child Tax Credit supplement of \$100 in 1988, and \$200 thereafter;
- a full or partial subsidy for a child in a provincially approved child care facility.

The National Strategy on Child Care recognizes the important contribution of parents who stay at home to care for their children. There are benefits for these families as well.

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■ For one-earner families with an income of \$30,000, with two children, one six years and under, the other over six years, the benefits include:

- a refundable Child Tax Credit supplement of \$100 in 1988, and \$200 thereafter for the pre-school-aged child.

In all three cases, parents will be assisted by more flexibility and greater benefits as a result of the National Strategy on Child Care.

### **Why is there a National Strategy on Child Care?**

A changing society imposes many requirements on Canadian families and their resources. The National Strategy on Child Care was developed for parents who need quality child care that is available and affordable, no matter where they live.

This Strategy will succeed with the partnership and cooperation of provinces and communities, and the participation of all parents. By working together, the National Strategy on Child Care will meet the needs of our children now and into the future.



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